

## **CHAPTER-2**

### **OVERVIEW OF THE HOTEL INDUSTRY IN RAJASTHAN**

Rajasthan is one of India's most popular tourist destinations, known for its rich cultural heritage, historical landmarks, vibrant festivals, and diverse landscapes, including deserts, palaces, and wildlife sanctuaries. Tourism is a significant driver of the hotel industry in the state. Rajasthan, renowned for its magnificent palaces, regal heritage, vibrant local cultures, arid deserts, and cities adorned in hues of pink, blue, and yellow, holds a significant position on India's tourism landscape. The state's Tourism Minister, Vishvendra Singh, has set an ambitious target of attracting 50 million tourists by the year 2020. According to the Director of Tourism, Pradeep Kumar Borar, the hotel industry is experiencing a robust occupancy rate, hovering around 70 percent. Furthermore, the iconic luxury heritage train, Palace on Wheels, achieved an impressive 60 percent occupancy rate in the previous year.

#### **2.1 Evolution of the Hotel Industry in Rajasthan:**

In 1989, Rajasthan recognized the immense potential of tourism as a job creator and made a strategic decision to harness its unique attributes. Since then, this northern state has skilfully capitalized on its regal heritage, artisanal traditions, culinary delights, sporting events like polo, ancient cities, and bustling bazaars to firmly establish itself on the global travel map.

Today, tourism stands as a cornerstone of Rajasthan's economy, contributing nearly 20% to its overall GDP. Impressively, over 15% of all foreign tourists who visit India choose Rajasthan as their destination each year. Ashok Rathore, the General Manager of Taj Rambagh Palace in Jaipur, highlights the state's distinct appeal to both domestic and international travellers. He underscores Rajasthan's rich historical legacy, adorned with majestic forts, opulent palaces, vibrant art and culture, and its reputation for warm and welcoming hospitality.

Rajasthan's popularity among foreign tourists is undeniable, with approximately one in every three international travellers to India including Rajasthan in their itinerary, often as part of the renowned Golden Triangle route. The state boasts five major tourism

hubs—Jaipur, Udaipur, Jodhpur, Pushkar, and Jaisalmer—alongside several thriving micro-markets like Bikaner and Nagaur.

Within India, Rajasthan ranks ninth in terms of Domestic Tourist Arrivals (DTAs) and an impressive third for International Tourist Arrivals (ITAs). Tourism's contribution to the state's GDP stands at a substantial 8%, demonstrating robust growth at an average rate of 5-6% over the past three years.

The potential for further growth in Rajasthan's tourism sector remains vast. A key factor driving its popularity is its ability to attract a wide spectrum of travellers, spanning various segments of the tourism pyramid. The state government actively engages in numerous exhibitions and fairs, both within India and abroad, to showcase Rajasthan's diverse offerings. This proactive approach plays a pivotal role in sustaining high tourist footfall and solidifying Rajasthan's position as a premier destination on the global tourism stage.

The hotel industry in Rajasthan has evolved significantly over the years, transforming from traditional accommodations to a diverse range of options that cater to both domestic and international tourists. Here's an overview of the evolution of the hotel industry in Rajasthan:

### **Heritage Transformation:**

Rajasthan's rich cultural and architectural heritage has been the cornerstone of its hotel industry. Many historical palaces, forts, and havelis were converted into heritage hotels. This transformation preserved the historical and architectural legacy while offering unique and luxurious accommodations.

### **Advent of Luxury Hotels:**

In addition to heritage properties, the state has witnessed the arrival of internationally acclaimed luxury hotel chains. These hotels offer a blend of modern amenities and royal experiences, attracting high-end tourists.

### **Diversification:**

The hotel industry in Rajasthan has diversified to accommodate various traveller preferences. This includes budget hotels, boutique hotels, eco-friendly resorts, and specialty accommodations like desert camps and treehouses.

### **Increased Tourism Promotion:**

The Rajasthan government has actively promoted tourism through marketing campaigns, cultural festivals, and participation in national and international travel exhibitions. This has led to increased awareness and tourist footfall.

### **Infrastructure Development:**

Investments in infrastructure, including airports, roads, and transportation networks, have made it easier for tourists to access various parts of Rajasthan. This improved connectivity has contributed to the growth of the hotel industry.

### **Digitalization and Online Booking:**

The digital revolution has played a significant role in the industry's evolution. Hotels now use online booking platforms, social media, and digital marketing to reach a global audience and streamline reservation processes.

### **Sustainability Initiatives:**

With increasing environmental awareness, many hotels in Rajasthan have adopted sustainable and eco-friendly practices, such as water conservation, renewable energy use, and waste management.

### **Expansion of Tourism Offerings:**

Rajasthan has expanded its tourism offerings beyond the historical and cultural attractions. Adventure tourism, wildlife safaris, culinary experiences, and wellness retreats have gained popularity, leading to the emergence of new types of accommodations.

### **Challenges and Adaptations:**

The hotel industry has faced challenges such as seasonality and the impact of events like the COVID-19 pandemic. However, many hotels have adapted by implementing health and safety protocols, offering flexible booking options, and diversifying their revenue streams.

### **Preservation of Heritage:**

The hotel industry has played a role in preserving Rajasthan's architectural and cultural heritage. Restoration and maintenance of historical properties have contributed to the conservation of these assets.

### **Global Recognition:**

Rajasthan's hotels have received international acclaim and awards, further boosting the state's reputation as a world-class tourism destination.

The hotel industry in Rajasthan has evolved from traditional heritage properties to a dynamic and diverse sector that caters to a wide range of travelers. This evolution has been driven by a combination of heritage preservation, infrastructure development, marketing efforts, and a focus on sustainability, making Rajasthan a globally recognized tourism hotspot.

## **2.2 Types of Hotels:**

Rajasthan offers a wide range of accommodations to cater to various tourists, from luxury travellers to budget-conscious ones. These include:

**Heritage Hotels:** Rajasthan's heritage hotels are the epitome of opulence and history. They are often grand palaces, forts, or havelis (traditional mansions) that have been meticulously restored to their former glory. These hotels offer guests a chance to step back in time and experience the regal lifestyle of Rajasthan's erstwhile royalty. With intricately designed interiors, ornate furnishings, and impeccable service, staying in a heritage hotel is like living a royal fantasy. Some iconic heritage hotels include the Umaid Bhawan Palace in Jodhpur, the Rambagh Palace in Jaipur, and the Udaivilas in Udaipur.

**Luxury Hotels:** Rajasthan boasts a collection of internationally acclaimed luxury hotels and resorts. These establishments cater to discerning travellers seeking the finest in comfort, service, and amenities. Luxury hotels in cities like Jaipur, Udaipur, and Jodhpur often feature lavish suites, world-class dining, spa and wellness facilities, and personalized services. These properties blend contemporary luxury with Rajasthan's rich cultural and architectural heritage, offering guests a harmonious and indulgent experience.

**Budget Hotels:** For budget-conscious travellers and backpackers, Rajasthan offers a wide array of affordable accommodations. Budget hotels, guesthouses, and hostels are scattered throughout the state, providing comfortable and clean rooms at wallet-friendly prices. While they may lack the opulence of heritage and luxury hotels, budget accommodations in Rajasthan often compensate with warm hospitality, convenient locations, and the opportunity to interact with fellow travellers.

**Resorts:** Rajasthan's resort industry has witnessed substantial growth, particularly around popular destinations like Jaipur, Jodhpur, and Udaipur. These resorts provide a blend of luxury and natural beauty, often set against picturesque landscapes. Guests can relax in well-appointed rooms or cottages, enjoy spa treatments, dine on gourmet cuisine, and partake in various recreational activities. Many resorts in Rajasthan offer stunning views of lakes, deserts, or lush greenery, making them an ideal choice for those seeking a tranquil escape from urban life.

### **2.3 Key Tourist Destinations:**

Some of the most visited tourist destinations in Rajasthan include:

#### **Jaipur:**

Jaipur, the capital of Rajasthan, is often referred to as the Pink City due to its distinctive pink-hued buildings. It's a city steeped in history and culture, boasting iconic attractions such as the Amber Fort, City Palace, Hawa Mahal (Palace of Winds), and the Jantar Mantar observatory. Visitors are drawn to its bustling bazaars, where they can shop for traditional textiles, jewelry, and handicrafts.

Udaipur: Udaipur, known as the City of Lakes, is a romantic and picturesque destination. The city is characterized by its serene lakes, including Lake Pichola and Fateh Sagar Lake, against the backdrop of magnificent palaces like the City Palace and the Lake Palace. Udaipur's charming streets, vibrant art scene, and boat rides on the tranquil lakes make it a favorite among honeymooners.

### **Jodhpur:**

Jodhpur, the Blue City, gets its name from the indigo-painted houses that dominate the landscape. At the heart of the city stands the majestic Mehrangarh Fort, one of India's largest forts. Inside, visitors can explore palatial courtyards and museums. The bustling bazaars around the fort offer a variety of handicrafts, textiles, and spices.

### **Jaisalmer:**

Jaisalmer, known as the Golden City, is famous for its stunning desert landscape, including the vast Thar Desert and the mesmerizing Sam Sand Dunes. The city is crowned by the golden-hued Jaisalmer Fort, which houses a living community within its walls. Tourists flock to Jaisalmer for camel safaris into the desert, where they can experience the unique culture of Rajasthan's nomadic communities.

### **Pushkar:**

Pushkar is a spiritual and culturally rich town known for its annual Pushkar Camel Fair, a vibrant gathering of traders, musicians, and performers. The town is centered around the sacred Pushkar Lake, where pilgrims come to take ritual baths. Pushkar is also home to many temples, including the Brahma Temple, one of the few dedicated to Lord Brahma in the world.

### **Ranthambhore:**

Ranthambhore is a renowned wildlife destination famous for the Ranthambhore National Park, which is home to the Bengal tiger and a variety of other wildlife species. The park's scenic landscapes include lakes, ruins, and dense forests. Visitors embark on safari tours to catch a glimpse of the majestic tigers and other exotic creatures in their natural habitat.

These key tourist destinations in Rajasthan collectively showcase the state's rich history, natural beauty, and cultural diversity, making Rajasthan a must-visit destination for travellers from around the world.

#### **2.4 Findings Related to Hotel Industry:**

The tourism sector plays a significant role in Rajasthan's economy, contributing approximately 15% to the state's GDP. It has seen steady growth over the years, with various indicators reflecting the state's popularity as a tourist destination:

1. **Hotel Inventory:** Rajasthan boasts a substantial hotel inventory in the branded space, with around 9,000 keys. These include a variety of accommodations ranging from luxury hotels to budget-friendly options, catering to the diverse needs of travelers.

2. **Tourist Arrivals:** In FY 2018, Rajasthan witnessed robust tourism growth. Domestic tourist arrivals reached 4.6 crores, marking a noteworthy increase of 10.7% compared to the previous year. The state also attracted 15 lakh international tourists, indicating a 4% growth in international arrivals.

3. **Air Connectivity:** The growth in tourism is partly attributed to improved air connectivity. Jaipur International Airport, in particular, witnessed significant growth, with international arrivals surging by 17% in 2017/18 and 15% in 2018/19. Domestic passenger traffic also saw remarkable growth, with a 27% increase in 2017/18 and 15% in 2018/19.

4. **Average Daily Rates (ADRs):** The Average Daily Rates for hotels in Rajasthan vary widely based on factors such as hotel category and season. The luxury segment can range from INR 40,000 to 45,000, while premium hotels typically charge between INR 10,000 to 18,000. Mid-scale hotels fall in the range of INR 5,000 to 6,000, while economy hotels are priced around INR 2,500 to INR 3,500.

5. **Infrastructure:** Rajasthan boasts an extensive road network, including 47 national highways with a total length of 9,998.80 kilometers and 85 state highways covering 11,716 kilometers. This infrastructure facilitates convenient travel within the state, making it more accessible to tourists.

6. Total Number of Hotels: Rajasthan offers a wide array of accommodations, with a total of 2,150 hotels in the state. These hotels collectively provide 50,000 rooms, catering to the accommodation needs of tourists.

7. Tourism Budget: The state government allocated a tourism budget of INR 163.51 crores in FY 2017-18, with a significant portion (INR 155.92 crores) dedicated to the preservation and restoration of heritage sites. This underscores the state's commitment to maintaining its rich cultural heritage.

8. Budget Increase: For FY 2018-2019, the tourism budget experienced a notable 16% increase, reflecting the government's continued investment in the tourism sector. This increase signifies the state's dedication to further enhancing tourism infrastructure and promoting Rajasthan as a premier travel destination.

Rajasthan's tourism sector has shown impressive growth, supported by increased tourist arrivals, improved air connectivity, a wide range of accommodations, and infrastructure development. The state's commitment to preserving its heritage and investing in tourism is evident in the budget allocations, further solidifying Rajasthan's position as a top tourist destination in India.

### **2.5 Key Factors that Contribute to Industry Growth:**

**Tourism Promotion:** Rajasthan heavily relies on tourism, and efforts by the government and private sector to promote the state as a tourist destination can boost the hotel industry. Marketing campaigns, cultural events, and infrastructure development can all contribute to increased tourist inflow.

**Infrastructure Development:** Investments in infrastructure, including airports, roads, and railways, can facilitate easier access to tourist destinations within Rajasthan, attracting more visitors and benefiting the hotel industry.

**Diversification:** Expanding the tourism offerings beyond the traditional attractions can lead to growth. Developing niche tourism segments such as adventure tourism, wellness tourism, and eco-tourism can attract different types of travelers and increase demand for accommodations.



**Government Policies:** Favourable government policies, such as tax incentives and ease of doing business, can encourage investment in the hotel sector and support its growth.

**Digitalization and Online Booking:** As more travellers book accommodations online, hotels that embrace digitalization and have a strong online presence can tap into a larger customer base, leading to increased bookings and growth.

**Sustainability Initiatives:** Travelers are increasingly conscious of sustainability. Hotels that adopt eco-friendly practices and promote responsible tourism can attract environmentally conscious tourists and enjoy long-term growth.

**International and Domestic Markets:** Attracting both international and domestic tourists diversifies the customer base. Events such as destination weddings, conferences, and exhibitions can also contribute to industry growth.

**Quality of Service:** Providing excellent service and unique experiences can lead to repeat business and positive word-of-mouth marketing, which, in turn, supports industry growth.

**Economic Stability:** The overall economic stability of the country and the world can impact tourism and, consequently, the hotel industry. Economic growth tends to correlate with increased travel and tourism spending.

**External Factors:** External factors like geopolitical stability, health crises (e.g., pandemics), and natural disasters can significantly impact industry growth. The hotel industry should be resilient and adaptable to such challenges.

It's essential to note that industry growth can vary by region within Rajasthan, depending on factors such as the popularity of specific destinations and the local business environment. Moreover, the post-COVID-19 recovery and evolving consumer preferences may also have had a significant impact on industry growth.

## **2.6 Conclusion:**

In conclusion, Rajasthan's tourism sector has not only emerged as a significant contributor to the state's economy, but it has also demonstrated consistent growth over

the years. With a diverse hotel inventory, rising domestic and international tourist arrivals, improved air connectivity, and a commitment to preserving its cultural heritage, Rajasthan continues to attract travellers from around the world. The state's investment in tourism infrastructure, as reflected in its extensive road network and increased tourism budget, underscores its dedication to providing a world-class experience for visitors. The wide range of accommodations, from luxury to budget-friendly options, ensures that Rajasthan caters to the varied preferences of tourists. As a result, Rajasthan stands as a shining example of how effective tourism development, preservation of heritage, and strategic investments can propel a region to prominence on the global tourism stage. With its rich history, vibrant culture, and stunning landscapes, Rajasthan remains an enduring and captivating destination for travellers seeking a taste of India's heritage and hospitality.

**Reference:**

- [www.hotelierindia.com](http://www.hotelierindia.com).